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Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

Bennie

THIS LEASE AGREEMENT is made this

PAID UP OIL AND GAS LEASE

(No Surface Use)

4

whose addresss is 3337 and, DALE PROPERTY SERVICES,	New York	Avenue, Fort	Worth	Texas	76/10		as Lessor,
hereinabove named as Lessee, but al	other provisions (includin	g the completion of blank	: spaces) were pi	repared jointly	by Lessor and Lessee.		
In consideration of a cash described land, hereinafter called leas	ed premises:						
163 ACRES OF LAND	, MORE OR LESS,	BEING LOT(S)		15	, Bl	<u>گ</u> LOCK	0
OUT OF THE South	land		(TEVA 0 . 1	AC ACO	DITION, AN ADDIT	ION TO THE	E CITY OF
OUT OF THE South Fort Worth	, PAGE	IARRANI COUNT	Y, TEXAS, A F THE PLAT	RECORDS	OF TARRANT CO	UNTY, TEXA	AS.
in the County of Tarrant, State of Treversion, prescription or otherwise), substances produced in association commercial gases, as well as hydrocoland now or hereafter owned by Less Lessor agrees to execute at Lessee's of determining the amount of any shutted to the commercial gase, which is a "paidas long thereafter as oil or gas or othe otherwise maintained in effect pursuants. 3. Royalties on oil, gas and off	the rule purpose of exploration therewith (including geosarbon gases. In addition or which are contiguous of request any additional or in royallies hereunder, the provisions hereof her substances covered here substances produced here substances produced.	ing for, developing, proc physical/seismic operation to the above-described in or adjacent to the above- supplemental instruments e number of gross acres tals, shall be in force for a reby are produced in paying and saved hereupder shall	normal and mank opens). The term eased premises, described leased a for a more compabove specified a primary term of an quantities from the maid by th	eding off and the "gas" as use this lease als premises, an plete or accurately be deemed and the leased premises to Lesso to Less	das, along with all hydrocopies, along with all hydrocopies accretions and did no consideration of the land ad correct, whether actual hydrocopies or from lands poor as follows: (a) For oil as	and and home, carbon dioxicanny small strips aforementioned so covered. For hy more or less. From the date holed therewith or and other flouid.	or parcels of de and other or parcels of deash bonus, or the purpose dereof, and for or this lease is
separated at Lessee's separator facilic Lessor at the wellhead or to Lessor's the wellhead market price then prevailing price) for production of state the tent prevailing price) for production of state the continuing right no such price then prevailing in the same or nearest preceding date a more wells on the leased premises or are waiting on hydraulic fracture stimute deemed to be producing in paying there from is not being sold by Lesse Lessor's credit in the depository design while the well or wells are shut-in or prise being sold by Lessee from another following cessation of such operation terminate this lease. 4. All shut-in royalty payments be Lessor's depository agent for receil draft and such payments or tenders to address known to Lessee shall constitute and such payments or tenders to address known to Lessee shall constitute payment hereunder, Lessor shall, at Lessor shall, at Lessor and spooled the rewith, pursuant to the provisions of Paragrinevertheless remain in force if Lessee on the leased premises or lands poole the end of the primary term, or at an operations reasonably calculated to ono cessation of more than 90 consectine is production in paying quantitie Lessee shall drill such additional wells to (a) develop the leased premises a feased premises from uncompensated additional wells except as expressly pendicinal wells of the foregoing, the terms "oit well" a prescribed, "oil well" means a well will feet or more per barrel, based on 2 equipment; and the term "horizontal component thereof. In exercising its Production, drilling or reworking oper reworking oper reworking operations on the leased premises is included in or exclaused premises.	ties, the royalty shall be credit at the oil purchase illing in the same field (or imilar grade and gravity; (75 %) of the exame and the costs inc. to purchase such product ame field, then in the near is the date on which Less lands pooled therewith a idalion, but such well or quantities for the purpose, then Lessee shall pay mated below, on or befor roduction there from is not well or wells on the lease or production. Lessee's or Lessor or to the deposit fuller production (whell assee's request, deliver to ragraph 3, above, if Lesse's trade and if all production (whell aph 6 or the action of a commences operations at therewith within 90 day to the leased premise on the leased premise on the leased premises of to formations then capate drainage by any well or rovided herein. The production is the lease well which is not a horizon the production to possible the lease well which is not a horizon of the production of the lease well which is not a horizon that of the pattern that "gas well" shall have a na initial gas-oil ratio of 4-hour production test occumpletion" means an oil pooling rights hereunder, ations anywhere on a understanded in the unit be mades shall not exhaust Lear contraction or both, eignered and the production or both, eignered and the unit be unded from the unit by with the unit be unded from the unit by with the unit be unded from the unit by with the unit be unded from the unit by with	"s transportation facilities if there is no such price (b) for gas (including proceeds realized by I arred by Lessee in delive dition at the prevailing welfers field in which there is see commences its purchase capable of either production at the prevailing welfest field in which there is see commences its purchase capable of either production and the end of said 90-day of being sold by Lessee; shut-in royalty of one die the end of said 90-day of being sold by Lessee; sed premises or lands possible of changes in the owner orry by deposit in the US are depository should liquid be be the end of said under the deposition of ope and the end of said and the end of the end of said and the end of the end of said and the end of th	, provided that is then prevailing casing head gasessee from the ring, processing head market price is such a prevailing seas hereunder; a conduction there is such a prevailing oil or gas or or duction there provided that if the period and there provided that if the period and there provided that if the provided that is a stamp date or be succeable instrument in capable of production of a such a case instrument in the case of the provided the provide	(½ %) of: a the same f is) and all oth sale thereof, or otherwise f is paid for prong price) pursuand (c) if at the rother substant of 90 consecent covered by eafter on or being later of the grade	such production, to be de we the continuing right to leid, then in the nearest for substances covered less a proportionate paraketing such gas or oft duction of similar quality in lant to comparable purchase end of the primary term ness covered hereby in pay good by Lessee, such payment fore each anniversary of the lesse liable for the amount see liable for the amount see liable for the amount of the lesse did the deposition or tenders may be made it did the ease liable for the amount see liable for the deposition or tenders may be made in did the ease liable for the deposition or tenders may be made in the liable for the deposition of the liable for the liable	plivered at Lessis purchase such inclid in which the hereby, the roy at of ad valore ter substances, in the same field asse contracts et or any time the aying quantities et or any time the end of said to be made to the end of said to by operations, or or its successor fail or ref agent to receive eason fail or ref agent to receive eason fail or ref agent to receive it dry hole") a revision of ur grainfalmed in aning or restoritissation of all procupations are prohereby, as long paying quantitificing, reworking perations are prohereby, as long paying quantitifing, reworking to the read to the chems it other lands or it 10%, and for a well or gas well on to do so. Fo cority, or, if no digas-oil ratio of aclitities or equiveservoir exceedit were productional unit product of unit product of the obligation ell spacing or dat the extent any ble hereunder si the extent any ble hereunder si	ee's option to production at ere is such a yalty shall be ere in a yalty
a wrilten declaration describing the un	it and stating the date of t	ermination, Pooling here	under stall hot c	onsulute a cro	sa-conveyance of interest	D.	

7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises.

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or entarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee with 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the salisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferred to salisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to any or tenders that the filter transferred interest in this lease, then held by each.

beased with respect to any littlest not so transferred. It beased transferred a full of unfolded interest in an it any position of the area coverage interest in this lease, the held by each.

1. Lessee may, at any time and from time to time, defiver to beased on file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If beased releases all or an undivided interest in less than all of the area covered hereby, bessee's obligation to pay or tender shut-in royalties shall be proportionately reduced.

in accordance with the net acrosoe interest retained hereunder.

In except water from Lessee shall have the right of ingress and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipolines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any film, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any film gaster and/or other substances produced on the leased premises or lands productions or host accept water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, nolwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelinos below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such prevaled or delayed by such laws, rules, regulations and other substances covered

Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed of interrupted.

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No fitigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the malter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said lividicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said lividicial determination.

time after said judicial determination to remark the breach or default has becomen, this leasts shall not be interest or canceled in whole of in part times besseles given a reasonable time after said judicial determination to remark the breach or default and Lessee fails to do so.

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royally or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessoe hereunder, and agrees that Lessee at Lessoe's option may pay and discharge any taxes, mortgages or liens existing, fevied or assessed on or against the leased premises. If Lessoe exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any daim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other

17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to after the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

LESSOR (WHETHER ONE OR MORE) By: ACKNOWLEDGMENT COUNTY OF Tarrant This instrument was acknowledged before me on the 2008. day of 6 JASON SCOTT Notary Public Notan Public, State of Texas Notary's commission expires: STATE OF TEXAS My Comm. Exp. Apr. 17, 2012 STATE OF COUNTY OF 2008. This instrument was acknowledged before me on the day of



DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

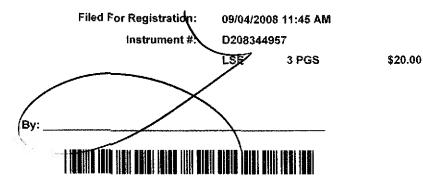
DALLAS

TX 75201

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

<u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.



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